

R E M A R K S**I. Summary of Status of Claims**

Claims **62 – 64** are currently pending;
claims **1 – 61 and claims 65 – 70** have been withdrawn from consideration;
upon entry of the present amendment, which is respectfully requested for the reasons set for the below, claims **56 – 64** will be cancelled and claims **1 – 55 and claims 65 – 70** will be reinstated.

II. Summary of Telephone Interview

Applicants sincerely appreciate the Examiner's courtesy in extending a telephone interview on January 17, 2005 and again on January 18, 2005. Discussed during the interview was the propriety of the withdrawal of claims **1 – 61 and 65 – 70** from consideration. Applicants essentially argued that (i) no prima facie case for distinct or independent inventions had been made; and (ii) even if the claims were directed to independent and distinct inventions, an assertion Applicants do not agree with, both of the alleged "independent or distinct inventions" were present in the originally presented claims (i.e., no new independent or distinct invention was added by amendment), thus making it improper for the Examiner to withdraw claims without allowing Applicants to select one of the "independent or distinct inventions".

Applicants gratefully acknowledge the Examiner's agreement that a Restriction Requirement, if proper, should have been provided earlier in prosecution because the embodiments claimed (irrespective of whether the embodiments are directed to independent or distinct inventions) were present in the originally presented claims. Applications further gratefully acknowledge the Examiner's agreement to reinstate claims **1 – 61 and 65 – 70** provided Applicants

adhere to the Examiner's recommended course of action. The Examiner's recommended course of action is to response to the current office action by canceling claims **62 – 64** and traversing in detail, with reasoned explanation, the withdrawal of claims **1 – 61 and 65 – 70**. Applicants believe this recommended course of action has been adhered to herein.

Further discussed during the interview was Applicants' understanding of the pressure placed on the Examiner in examining claims in the short period of time allowed by the patent office for each office action. To help alleviate this pressure on the Examiner, Applicants have cancelled some of the claims withdrawn by the Examiner (claims **56 – 61**) and are hereby requesting reinstatement of only a subset of the withdrawn claims (claims **1 – 55 and 65 – 70**). Applicants have not cancelled claims **56 – 61** for any reason related to patentability, but have done so solely to alleviate the pressure on the Examiner.

III. Summary of Arguments

Applicants respectfully submit that no *prima facie* case for either independent or distinct inventions was made, and thus any restriction requirement was improper.

Further, Applicants respectfully submit the imposition of election by original presentation was improper because (i) both of the alleged "independent or distinct" inventions were present in the originally presented claims and thus the alleged "independent or distinct" invention of claims **1 – 61 and 65 – 70** was not added by amendment, which is the only circumstance in which an Examiner is allowed to withdraw claims not directed to a constructively elected invention, and (ii) no *prima facie* showing has been made as to why the amended claims **1 – 61 and 65 – 70** are directed to an invention that is independent or distinct from the invention claimed in claims **1 – 61 and 65 – 70** prior to amendment.

Thus, Applicants traverse the withdrawal of claims **1 – 61 and 65 – 70**. In addition to traversing the withdrawal of claims **1 – 61 and 65 – 70**, Applicants respectfully request reinstatement of claims **1 – 55 and 65 – 70** and cancellation of claims **56 – 64**.

Further, in the alternative and to avoid a “non-compliant” or “non-responsive” assertion regarding the present response, Applicants have also provided arguments traversing each of the rejections of claims **62 – 64** herein, should cancellation of these claims and reinstatement of claims **1 – 55 and 65 – 70** be denied.

IV. Traversal of Restriction / Election - Detailed Arguments

It has been asserted that newly amended claims **1 – 61 and 65 – 70** are directed “to an invention that is independent or distinct from the invention originally claimed...” (Current Office Action, page 2). The reason provided for claims **1 – 61 and 65 – 70** allegedly being directed to an invention that is independent and distinct from an originally claimed invention is that claims **1 – 61 and 65 – 70** have been amended to include a limitation that is not present in claims **62 – 64**. Applicants respectfully traverse this restriction/election assertion for the reasons discussed below.

a. No Prima Facie Case for Restriction has Been Made

Restriction of the pending claims is not believed to be appropriate in this case. Specifically, Applicants respectfully submit that the Examiner has failed to establish a *prima facie* case for restriction.

1. Proper Basis for Restriction

Generally

Restriction is proper only where an application contains claims directed to two or more independent or distinct inventions. (MPEP §802.01).

The term "independent" is defined as meaning "that there is no disclosed relationship between the two or more subjects disclosed, that is, they are unconnected in design, operation, or effect". (MPEP §802.01). To establish a *prima facie* case for restriction where the basis for restriction is that the different inventions being claimed are "independent", the Examiner must demonstrate "the reasons...why the inventions as claimed are...independent". (MPEP §808).

The term "distinct", as used in restriction practice, means that two or more claimed subjects are "(1) capable of separate manufacture, use or sale; and (2) are patentable over each other". (*Id*). To establish a *prima facie* case for restriction where the basis for restriction is that the inventions are "distinct", the Examiner must establish (1) "the reasons (as distinguished from the mere statement of conclusion) why the inventions *as claimed* are...distinct", and (2) "the reasons for insisting upon restriction therebetween". (MPEP §808).

Combination and Subcombination

In some cases, claims may be directed to combinations, subcombinations, or elements of a combination. For restriction of combination and subcombination claims to be proper, "both two-way distinctiveness and reasons for insisting on restriction are necessary." (MPEP §806.05(c)). In particular, the inventions are distinct if the claimed combination (1) "does not require the

particulars of the subcombination as claimed for patentability", and (2) "the subcombination can be shown to have utility either by itself or in other and different relations". (*Id.*) "Where these factors can not be shown, such inventions are not distinct." (*Id.*)

Process and Apparatus for Practice (Statutory Class)

In some cases, claims may be directed to a process and an apparatus for practicing the claimed process. To support a restriction requirement for claims directed to different 35 USC §101 statutory classes (i.e., process, apparatus, etc.), a form of "distinct"-based restriction must be shown. For restriction to be proper, "[p]rocess and apparatus for its practice can be shown to be distinct inventions, if either or both of the following can be shown: (A) that the process *as claimed* can be practiced by another materially different apparatus or by hand; or (B) that the apparatus *as claimed* can be used to practice another and materially different process." (MPEP §806.05(e)). "The burden is on the examiner to provide reasonable examples that recite material differences." (*Id.*) Further, "[i]f the apparatus claims include a claim to 'means' for practicing the process, the claim is a linking claim and must be examined with the elected invention." (*Id.*)

2. The Examiner's Case as Set Forth

The Examiner supports the present restriction with the following conclusory statements:

"Newly amended claims 1 – 61 and 65 – 70 directed to an invention that is independent or distinct from the invention originally claimed for the following reasons: Claims 1 – 61 and

65 – 70 have been amended to recite the limitation that the second consumer is entitled to the transferable item price irrespective of whether the second consumer would otherwise be entitled to purchase the item for the payment of the amount.”
Current Office Action, page 2.

3. A *Prima Facie* Case for either "Independent" or "Distinct" Restriction has not been Established

The Examiner makes a statement alleging that the claimed inventions may be "independent". However, the *prima facie* burden for proving independent inventions has still not been met. Applicants respectfully point out that "independent" inventions, as defined in restriction practice, are "not connected in design, operation, or effect" (MPEP §802.01, 808.01), and are "not capable of use together" (MPEP §§808.01, 806.04). An example of "independent" inventions would be claims directed to both "a necktie and a locomotive bearing". (MPEP §808.01 at Examiner Note 1; see also, MPEP §806.04, "a shoe, and a locomotive bearing"). Clearly, where all currently claimed embodiments of the present invention are related to methods, apparatus, and articles of manufacture for facilitating a transaction, no such independence exists.

Additionally, if the Examiner had intended to impose the restriction based on "distinct" inventions, the *prima facie* burden has still not been met. No reasons for believing the claimed inventions are "distinct" have been set forth, nor has the second requirement of presenting reasons for insisting upon restriction been complied with. The Examiner has failed to show that (1) that each claimed invention "has attained recognition in the art as a separate subject for inventive

effort, and also a separate field of search", (2) that even if classified together they have formed separate subjects for inventive effort, or (3) that a different field of search is required. (MPEP §808.02). To the contrary, the Examiner has previously successfully searched all of the pending claims and the amendments made to claims 1 – 61 and 65 – 70 are not of such a nature as to require a search in a separate field.

Absent such showings as required by MPEP §808.02, no *prima facie* case for restriction under the "distinct" theory is established.

In essence, by the above-quoted assertion the Examiner appears to be proposing that simply because one set of pending claims recites a limitation that is not included in another set of pending claims, the two sets of claims are directed to independent or distinct inventions. Such an assertion has no basis in restriction practice and is not a proper or sufficient reason for insisting upon a restriction among groups of claims. The statement does not satisfy any of the tests for independent or distinct inventions set forth above.

In summary, this statement does not satisfy the Examiner's burden of establishing a *prima facie* case for restriction under MPEP §808, for either "independent" or "distinct"-based restrictions. The statement provided does not provide any reasoned analysis for the restriction, as is required. Accordingly, Applicants respectfully request that the restriction requirement be withdrawn.

4. The Examiner has Failed to Establish an Undue Burden

Even if a *prima facie* case for restriction establishes that an application includes independent or distinct inventions, restriction is not proper "[i]f the search and examination of [the] entire application can be made without serious burden."

(MPEP §803). Applicants respectfully assert that restriction is not proper in this case because there is no indication that any serious burden exists. In particular, (1) there is no separate classification of the alleged species which would necessitate a separate field of search; (2) the alleged species can be searched using the same field of search without unduly burdening the Examiner; and (3) the alleged species are not related to any class of invention which has achieved a separate status in the art. (see, MPEP §808.02). In general, Applicants believe that the claims all can readily be searched and examined together without undue burden on the Examiner. Indeed, such a non-burdening search has already been conducted. Thus, even if the Examiner had set forth a *prima facie* case for restriction and had imposed the restriction requirement at an appropriate time (in a first office action), restriction would still not be proper in this case.

Where "the classification is the same and the field of search is the same and there is no clear indication of separate future classification and field of search, no reasons exist for dividing among related inventions." (*Id*). Therefore, because all pending claims are associated with the same classifications, claims 1 – 70 may be searched using the same fields of search, posing no undue burden to the Examiner.

b. Improper Usage of Election by Original Presentation

Even if a *prima facie* case had been made for independent or distinct inventions, it was not proper for the Examiner to elect claims on Applicants' behalf under the circumstances of the present case. Specifically, election by original presentation is not proper in the present case because no new independent or distinct invention was added by amendment.

The Examiner has withdrawn claims **1 – 61 and 65 – 70**, providing the following reason therefore: “[s]ince applicant has received an action on the merits for the originally presented invention (claims **62 – 64**), this invention has been constructively elected by original presentation for prosecution on the merits.”

As a preliminary matter, Applicants wish to clarify that both the set of withdrawn claims 1 – 61 and 65 – 70 as well the set of pending claims 62 – 64 are claims directed to an originally presented invention. Both sets of claims recite a method for facilitating a transaction involving a transferable item price.

The election by original presentation doctrine allows restriction and withdrawal of claims by an Examiner if the claims are added by amendment following action by the examiner and are directed to an invention that is independent or distinct from one previously claimed. MPEP 821.03. Thus, it must be shown that the invention claimed after the amendment is independent or distinct from the invention originally claimed.

In the present case, the Examiner has not made any findings or provided any reasoning as to why the invention being claimed in claims 1 – 61 and 65 – 70, after the amendments, is directed to an independent or distinct invention from the invention originally claimed in claims 1 – 61 and 65 – 70. Thus, the Examiner has not satisfied the *prima facie* burden of showing that an independent or distinct invention was added by amendment, thus allowing the usage of the election by original presentation doctrine. The Examiner has simply stated that claims 1 – 61 and 65 – 70 have been amended to include a limitation that was not also added to claims 62 – 64. The Examiner’s reasoning appears to stand for the proposition that any time a subset of claims is amended, it is a *per se* addition of an independent and distinct invention. Such a proposition is contrary to the law that requires a showing on the Examiner’s part that the invention being restricted out is independent and distinct from an invention originally claimed.

The nature of the amendment made by Applicants in response to the previous Office Action was not of such a magnitude as to constitute an introduction of a new independent or distinct invention. Even after the amendment, the claims are directed to a method for facilitating a transaction that involves a transferable item price and two consumers. Further, the Examiner has not explained why the amendment is of such a nature as to constitute an addition of an invention independent and distinct from one originally claimed, as the Examiner is required to do. The Examiner has merely quoted the limitation that was added to a subset of the then-pending claims. Such a quotation is insufficient to show that a new independent or distinct invention has been added by amendment.

In summary, since no showing of the applicability of election by original presentation has been made, Applicants respectfully submit that it was improper for the Examiner to elect claims on Applicants' behalf. Applicants thus request a reinstatement of at least claims 1 – 55 and 65 – 70 (a subset of the claims withdrawn by the Examiner). Although it is Applicants' position that Applicants are entitled to a reinstatement of each of the withdrawn claims, Applicants are requesting a reinstatement of only a subset of the withdrawn claims. Applicants are requesting only the subset for reasons unrelated to patentability and explicitly reserve the right to pursue the subject matter of claims 56 – 64 in a continuing application.

c. Conclusion

In summary, Applicants respectfully traverse the imposed Election by Original Presentation and the withdrawal of claims 1 – 61 and 65 – 70 for the reasons discussed above. Applicants respectfully submit that since no *prima facie* case has been presented for any basis for a restriction requirement, any restriction requirement is improper and all pending claims should be examined. Applicants

further respectfully submit that since the *prima facie* burden of establishing that an independent or distinct invention was added by amendment was satisfied, the imposition of election by original presentation was improper and that claims 1 – 61 and 65 – 70 should be reinstated.

In the alternative, Applicants respectfully request that Applicants at least be allowed to elect which of the alleged independent and distinct inventions to prosecute, and accordingly elect claims **1 – 55 and 65 – 70** (a subset of the withdrawn claims).

V. Alternative Arguments – Traversal of Rejections of Claims 62 – 64

Although Applicants have, at the Examiner's suggestion, cancelled claims **62 – 64** herein, Applicants provide a response to each of the rejections of these claims below. Applicants do so to be responsive to the previous Office Action, should the cancellation of claims **62 – 64** be denied entry.

a. Section 101 Rejection

Claims **62 – 64** stand rejected under 35 U.S.C. §101 because the claims “make only nominal use of technology.”

Applicants respectfully traverse the assertion that storing information in a memory of a computing device, as recited in the claims, is only nominal use of technology. First, Applicants respectfully submit that there is no statutory, regulatory or case law basis for the Examiner's requirement. Second, Applicants have reviewed the non-precedential decision of Ex Parte Bowman, as suggested by the Examiner, and have found the analysis therein unhelpful in aiding Applicants in determining the basis of the Examiner's rejection, much less why storing information used in a determining step in a memory of a computing device is considered to be nominal use of technology. The decision of Ex Parte Bowman

does not refer to nominal use of technology at all, much less stand for the position that such use is insufficient to render claims reciting such nominal use within the province of statutory subject matter. In Ex Parte Bowman the Board determined that since *neither* the specification *nor* the claims recited any use of technology, the invention did not fall within the technological arts and was thus not directed to statutory subject matter. Thus, Applicants read the decision as leaving open the possibility that if the specification had recited use of technology, even if the claims did not recite the technology, such supporting description may be deemed sufficient to place the invention within the technological arts. Applicants find no basis in the decision for a requirement that the claims recite technology at all, much less in a “non-trivial manner.” Accordingly, Applicants respectfully request further clarification for the basis for the continued rejection of claims **62 – 64** and, if the rejection is maintained, more detailed guidance as to what type of amendment would be sufficient to overcome the rejection.

b. Section 112 Rejection

Claim **63** stands rejected under 35 U.S.C. §112, second paragraph, as being indefinite. In particular, it has been asserted that the steps of “associating” and “determining” are unrelated to each other. Applicants respectfully traverse this rejection for the reasons set forth below.

Applicants respectfully submit that the steps are related to each other in the following manner: the transferable item price that is associated with a first consumer and a first merchant in the associating step is subsequently determined to be a price based on which a second consumer is entitled to purchase an item for from a second merchant. Accordingly, Applicants respectfully submit that the steps are related to each other and request that the rejection be withdrawn.

c. Section 102 Rejections

Claim **62** stands rejected under 35 U.S.C. §102(b) as being anticipated by WO 99/03056 (“Walker” herein). Since Applicants have cancelled claim 62 herein, Applicants do not believe this claim can be properly amended. If the cancellation of claim 62 should be denied entry, Applicants sincerely invite the Examiner to contact Applicants’ representative to discuss possible amendments to claim **62**.

Claim **64** stands rejected under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 5,937,391 to Ikeda et al. (“Ikeda” herein). Applicants respectfully traverse this rejection for the reasons set forth below.

Ikeda does not teach associating a transferable item price with a consumer. Rather, Ikeda teaches associating a number of reward points with a consumer. Although the reward points may be based on a sum of purchases may by a consumer, there is nothing in Ikeda to suggest that the points associated with a consumer are a price. Although the points may be redeemed for one or more items, the points are accumulated in a general account and spent by the consumer at will. There is nothing in Ikeda to suggest that all or a subset of the points that are associated with a consumer in a memory of a computing device are designated as a set of points in exchange for which a merchant is willing to sell an item to a consumer. The points associated with the consumer are more analogous to an amount of money in a financial account of a consumer than a particular price associated with the consumer. Accordingly, the points are not equivalent to the transferable item price and thus no transferable item price is associated with a consumer in a memory of a computing device.

d. Section 103 Rejection

Claim **63** stands rejected under 35 U.S.C. §103(a) as being unpatentable over Walker. Applicants respectfully traverse this rejection for the reasons set forth below.

No *prima facie* case of obviousness has been made with respect to claim **63**. In particular, no proper motivation for modifying Walker in the manner suggested has been provided. The following assertion is the only statement regarding motivation to combine:

“one of ordinary skill in the art would have been motivated to [modify Walker in the manner suggested] in order to facilitate transactions among a plurality of consumers and a plurality of merchants” Current Office Action, page 6.

The above assertion fails for at least three reasons.

First, the assertion is a mere conclusory statement of a desired result that may allegedly result from the proposed modification. Such a statement is insufficient since, as discussed in responses to previous Office Actions, a factual finding of a teaching in the record that would have caused one of ordinary skill in the art to make the proposed modification is required. For example, even "Prior knowledge in the field of the invention must be supported by tangible teachings of reference materials". *CARDIAC PACEMAKERS, INC. v ST. JUDE MEDICAL, INC.*, 2004 U.S. App. LEXIS 18386 (Fed. Cir. August 31, 2004). No such factual finding has been made herein.

Second, even if the asserted motivation would have lead one of ordinary skill in the art to make the proposed modification, such modification would still not have resulted in the claimed embodiment because the assertion fails to address the particular limitations of the claim. Claim 63 does not merely refer to a method that involves two consumers and two merchants. Rather, claim 63 recites a particular method in which a transferable item price that is associated between a first consumer and a first merchant is subsequently determined to a price based on which a second consumer is entitled to purchase an item for from a second merchant. Thus, the method effectively turns a price into a commodity. The Examiner is merely proposing a system that includes a plurality of consumers consummating transactions with a plurality of merchants. There is nothing in the asserted motivation that would have motivated one of ordinary skill in the art to modify Walker such that a price associated with a first consumer and a first merchant is subsequently determined to be a price based on which a second consumer is entitled to purchase an item for from a second merchant. For example, merely including a second merchant in the methods and systems of Walker would not have lead one of ordinary skill in the art to further modify Walker such that a price associated with a first consumer and a first merchant is subsequently determined to be a price based on which a second consumer is entitled to purchase an item for from a second merchant.

Third, the Examiner's assertion is a mere allegation of a general solution that does not address the particular solution claimed. "Recognition of a need does not render obvious the achievement that meets that need. There is an important distinction between the general motivation to cure an uncured disease (for example, the disease of multiple forms of heart irregularity), and the motivation to create a particular cure." *CARDIAC PACEMAKERS, INC. v ST.*

JUDE MEDICAL, INC., 2004 U.S. App. LEXIS 18386 (Fed. Cir. August 31, 2004)

C O N C L U S I O N

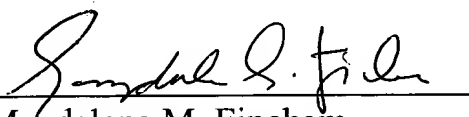
For the foregoing reasons it is submitted that all of the claims are now in condition for allowance and the Examiner's early re-examination and reconsideration are respectfully requested.

Alternatively, if there remains any question regarding the present application or any of the cited references, or if the Examiner has any further suggestions for expediting allowance of the present application, the Examiner is cordially requested to contact Magdalena M. Fincham at telephone number (203) 461-7041 or via electronic mail at mfincham@walkerdigital.com.

Applicants do not believe any fee (e.g., for an extension of time with which to respond to the Office Action) is required at this time. However, if a fee should be necessary for the present Application at this time (or any time during the prosecution of the present Application), please charge any such required fee to our Deposit Account No. 50-0271. Please credit any overpayment to Deposit Account No. 50-0271.

Respectfully submitted,

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Date


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